

## **Value City Department Stores Reports Second Quarter Operating Results**

Columbus, Ohio, September 8, 2003 /PRNewswire/ -- Value City Department Stores, Inc. (NYSE: VCD) today announced its consolidated financial results for the second quarter ended August 2, 2003.

- Net sales for the second quarter ended August 2, 2003 increased 6.2% to \$604.6 million from \$569.1 million for the quarter ended August 3, 2002.
- Comparable store sales for the quarter increased 1.6% when compared to the same period last year.
- The net loss for the quarter was \$3.6 million, or \$0.11 per share on a diluted basis, compared to a net loss of \$0.7 million, or \$0.02 per share on a diluted basis last year.
- At 8:30 a.m. EDT, on September 9, 2003, the Company's management team will host a conference call to review the financial results. The conference call will be simultaneously broadcast over the Internet at [www.valuecity.com](http://www.valuecity.com). A replay will be available from 6:00 p.m. EDT September 9, 2003 through October 9, 2003. To listen to the replay, dial 1-800-839-0860 and reference confirmation code number 1443.

Value City Department Stores, Inc. is a leading off-price retailer operating 116 full-line department stores in the Midwest, mid-Atlantic and southeastern U.S., 131 better-branded DSW Shoe Warehouse Stores in major metropolitan areas throughout the country and 21 Filene's Basement Stores.

SOURCE: Value City Department Stores, Inc.

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**VALUE CITY DEPARTMENT STORES, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Dollars in thousands)

	August, 2 <u>2003</u> (Unaudited)	February 1, <u>2003</u>	August 3, <u>2002</u> (Unaudited)
<b>ASSETS</b>			
Cash and equivalents	\$ 31,920	\$ 11,059	\$ 31,952
Accounts receivable, net	7,820	10,666	5,135
Receivables from affiliates	1,055	933	899
Inventories	477,194	389,825	417,309
Prepaid expenses and other assets	16,823	19,354	12,401
Deferred income taxes	59,893	51,317	70,505
<b>Total current assets</b>	<b>594,705</b>	<b>483,154</b>	<b>538,201</b>
Property and equipment, net	233,311	233,452	241,006
Goodwill	37,619	37,619	37,619
Tradenames and other intangibles, net	45,620	47,583	49,573
Other assets	28,472	29,991	35,858
<b>Total Assets</b>	<b>\$ 939,727</b>	<b>\$ 831,799</b>	<b>\$ 902,257</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Accounts payable	\$ 189,877	\$ 160,809	\$ 196,877
Accounts payable to affiliates	17,463	4,228	5,644
Accrued expenses	116,045	135,918	125,902
Current maturities of long-term obligations	813	809	743
<b>Total current liabilities</b>	<b>324,198</b>	<b>301,764</b>	<b>329,166</b>
Long-term obligations, net of current maturities	361,261	264,664	309,800
Other noncurrent liabilities	49,112	44,207	41,178
Shareholders' equity	205,156	221,164	222,113
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 939,727</b>	<b>\$ 831,799</b>	<b>\$ 902,257</b>

**VALUE CITY DEPARTMENT STORES, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Dollars in thousands, except per share amounts)  
(Unaudited)

	<u>Thirteen Weeks Ended</u>		<u>Twenty-six Weeks Ended</u>	
	<u>August 2, 2003</u>	<u>August 3, 2002</u>	<u>August 2, 2003</u>	<u>August 3, 2002</u>
Net sales, excluding sales of licensed departments	\$ 604,594	\$ 569,062	\$1,193,126	\$ 1,154,974
Cost of sales	(368,228)	(345,463)	(740,040)	(708,188)
Gross profit	236,366	223,599	453,086	446,786
Selling, general and administrative expenses	(235,875)	(219,344)	(466,916)	(442,614)
License fees and other operating income	1,291	2,431	2,792	4,593
Operating profit (loss)	1,782	6,686	(11,038)	8,765
Interest expense, net	(8,069)	(7,863)	(17,652)	(14,201)
Loss before benefit for income taxes and cumulative effect of accounting change	(6,287)	(1,177)	(28,690)	(5,436)
Benefit for income taxes	2,639	451	11,869	2,015
Loss before cumulative effect of accounting change	(3,648)	(726)	(16,821)	(3,421)
Cumulative effect of accounting change, net of income taxes	--	--	--	(2,080)
Net loss	\$ (3,648)	\$ (726)	\$ (16,821)	\$ (5,501)
Basic and diluted weighted average shares outstanding	33,720	33,651	33,716	33,641
Basic and diluted loss per share: Loss before cumulative effect of accounting change	\$ (0.11)	\$ (0.02)	\$ (0.50)	\$ (0.10)
Cumulative effect of accounting change, net of income taxes	--	--	--	(0.06)
Net loss per share	\$ (0.11)	\$ (0.02)	\$ (0.50)	\$ (0.16)
Same store sales:				
Value City Department Stores	0.6%	(6.1)%	(1.8)%	(3.6)%
DSW Shoe Warehouse	4.5	(2.1)	0.4	(0.4)
Filene's Basement	0.3	1.2	(3.8)	3.0
Total	1.6%	(4.3)%	(1.5)%	(2.1)%
Store count at end of period:				
Value City Department Stores			116	116
DSW Shoe Warehouse			131	117
Filene's Basement			21	21
Total			268	254

SOURCE: Value City Department Stores, Inc.